

17 MAR 1980

16a. At the request of the Director of Central Intelligence a four person team for the National Academy of Public Administration reviewed the CIA personnel management system from 20 November 1978 to 15 March 1979. They concluded that the current CIA personnel system, characterized by rank-in-the-person and decentralized management to Directorates, has served the Agency well. The NAPA Team found that the caliber of employees in the Agency is high, managers have evidenced their interest in the personnel management system, recognized their responsibility for administering the system, and are acutely aware of the importance of balancing the needs of the Agency and the needs of the employees. The Team concluded that, with some minor adjustments, the existing personnel arrangements are sound and the best available for the Central Intelligence Agency, and able to accommodate the environmental changes most likely to affect the Agency's future.

The Team felt the Agency's personnel system was one which most Federal agencies would envy for its flexibility and potential for responsiveness to management needs and that Agency Components have been served well by the present system.

The NAPA Team did recommend some fine tuning particularly in the areas of:

Centralized policy guidance.

Goal-setting and evaluation of results to top management with implementation decentralized to operating components.

Uniform treatment of employees.

Better definition of the roles and relationships in personnel management.

16b. The NAPA report was reviewed and commented on by all Agency Components and Management Advisory Groups. These comments were consolidated, summarized and discussed by our Executive Committee. On 29 May 1980, the Deputy Director of Central Intelligence formed a NAPA Project Group of five officers, representing various Agency components, to evaluate the findings, conclusions, observations and recommendations of the NAPA report.

The NAPA Project Group addressed 27 issues and conducted Agency-wide fact finding and interviews, appropriate research, in-depth review and consultation. The Project Group Report was presented under four major issue areas:

- A Framework for the Agency Personnel System
- Personnel Selection and Development
- Manpower Planning, Recruitment and Separation
- Personnel Program Evaluation

The Project Group completed its task on 2 November 1979 with the publication of the NAPA Project Group Report.

The Project Group Report was submitted to the Directorates and Independent Offices for review and comments. The comments were discussed at five Executive Committee meetings during November and December and the resulting recommendations were approved by the Deputy Director of Central Intelligence. Implementation of these recommendations is now underway.

19a. As stated in our Senior Intelligence Service (SIS) brochure (issued 1 October 1979), the purposes of the SIS are:

- ° To ensure that senior officer management is of the highest quality and fully responsive to the needs, policies, and goals of the Nation.
- ° To provide the Director of Central Intelligence with a centralized mechanism through which to develop equitable personnel management policies for senior officers and to direct and monitor their implementation and enforcement.
- ° To develop and maintain a highly motivated and competent group of individuals capable of filling senior-level positions and to provide the type of quality performance needed for continued success in fulfilling the DCI's missions and functions.
- ° To provide for a compensation system including salaries, benefits and incentives and for other conditions of employment designed to attract and retain highly competent senior officers.
- ° To ensure the systematic development of highly competent candidates for entry into the SIS and the continuing development of personnel already members of the SIS.
- ° To provide for counselling, training and other assistance for those officers who are not performing to established standards to help them become successful performers.

19b. The Senior Intelligence Service includes senior Agency officers having unique skills. Scientists were formerly compensated under our Scientific Pay Schedule which parallels P.L. 313 provisions for research and development categories. Senior scientific officers were converted to equivalent SIS ranks on 4 November 1979.

19c. The Senior Intelligence Service adopted the Senior Executive Service rank structure and basic pay rates established by the President, as modified by statutory limitations imposed by the Congress.

19d. We believe other agencies in the intelligence community may wish to establish senior officer systems comparable to the Senior Executive Service, and it is our understanding that NSA, DIA and the Department of State (Foreign Service) are seeking legislation permitting them to do so. We do not see any advantages in seeking to group these systems in one community-wide program. Some of the disadvantages and possible complications include:

- ° Differing organizational and command relationships (e.g., DIA's relationship to the Department of Defense, and the combination of military and civilian officers in the senior command structure of both NSA and DIA).
- ° Diverse occupations and career patterns in each agency, further complicated by the need for strict compartmentation due to the sensitive nature of many of these jobs, particularly in NSA and CIA.
- ° Different career status (CIA employees do not have civil service status, while those of some of the other intelligence community agencies do).

Although we see little value in a community-wide Senior Executive Service-type service, we do believe there are opportunities for selected rotational assignments between these agencies, which would broaden the professional perspectives of those selected while bringing experience and expertise from one agency to bear on the problems of another. We have encouraged such assignments on a selective basis over the years, and would welcome the Committee's support for such efforts in the future.

19e. This figure is the amount estimated to finance:

- ° Performance awards in three classes (20%, 12% and 7% of base salary) for which up to half the SIS officers are eligible (50% of the CIA SIS ceiling authorized by OMB).
- ° Meritorious officer rank stipends of \$10,000 each to selected SIS officers (up to 5% of SIS on-duty strength).
- ° Distinguished officer rank stipends of \$20,000 each to selected SIS officers (up to 1% of SIS on-duty strength).

19f. The basic criterion for awards is the appraisal of the SIS members' individual performance in relation to specific work objectives and standards of performance. These are set forth in an Advance Work Plan (AWP), prepared by the supervisor in conjunction with the employee, and covering the same period as the Performance Appraisal Report (PAR). Specific levels of performance must be attained before an employee can even be considered for an award. Because of the 50% limitation on the number of awards that may be granted, only the strongest performance will warrant an award. The specific manner in which awards will be recommended, received, and approved is still under study.

Distribution:

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OTHER

I/O/PPPM (16) We note that you commissioned a study by the National Academy of Administration on the CIA personnel system.

-- What were the principal conclusions and recommendations of this study?

-- What steps were taken to implement the recommendations of this study?

I/O/PPPM (19) We note that you have instituted a senior intelligence service within CIA.

-- What are the major benefits you anticipate from this system?

-- What impact will this system have on categories of employees with unique skills such as scientists?

-- How do the grades and salaries of the senior intelligence service compare with those of the normal civil service?

-- What advantages might accrue by expanding this concept to a community-wide senior intelligence service?

-- What is the purpose of the that has been included in the budget request for senior intelligence service awards?

-- What are the criteria under which these awards will be given?

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ROUTING AND TRANSMITTAL SLIP

Date

11 March 1980

TO: (Name, office symbol, room number, building, Agency/Post)	Initials	Date
1. Mr. Harry Fitzwater		
Director of Personnel Policy,		
2. Planning, and Management		
Rm. 5E58, Hqs.		
3.		
4.		
5.		

Action	File	Note and Return
Approval	For Clearance	Per Conversation
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REMARKS

Harry:

Attached are two questions which have been excerpted from a long list of questions received from the SSCI. These are questions which we have been asked to answer for the record. While we are not required to forward our written responses to the SSCI until after the hearing, which is scheduled for Thursday, 20 March, we are expected to be prepared to answer these questions during the hearing. Therefore, we would like to have your responses to these two questions by c.o.b. Monday, 17 March, in order that they can be incorporated with answers to other questions for review by the DDCI in advance of the hearing.

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg.
Chief, Administration Group/O/Compt	4E20, Hqs.
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